• Role of Natural Gas in Promoting Bioenergy as a Component of the Sustainable Energy Scenario

Presented by:

Suresh P. Babu

Deputy Director, Research and Deployment

Gas Technology Institute

Des Plaines, IL 60018

at

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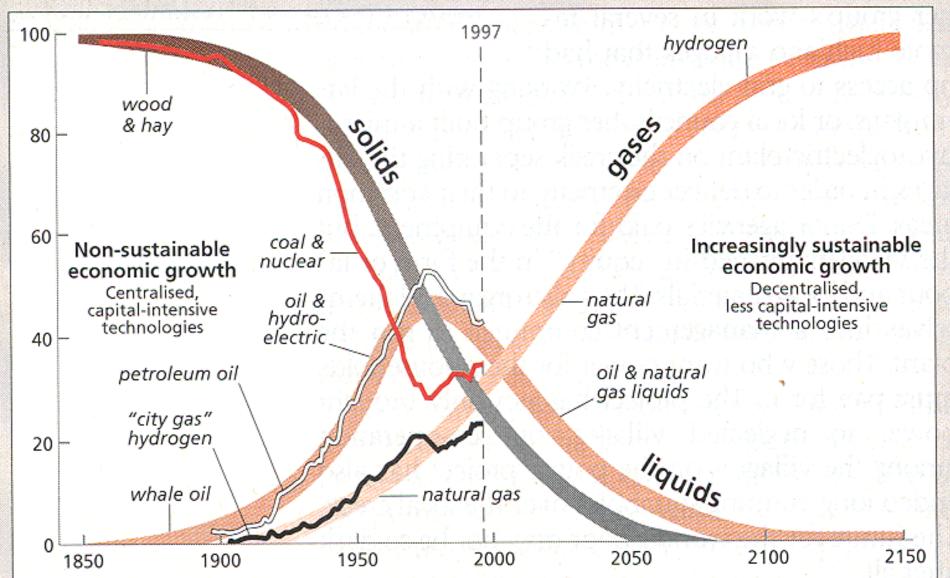




Global energy systems transition, % of market

actual solids consumption
actual gas consumption
actual liquids consumption

9



Source: The Economist: 2-10-01

Assumptions

- Sustainable Supply of Biomass Feedstock at \$1.50/million Btu or less is Available to Industries Which Currently use Natural Gas
- Biomass Gasification Processes of 10 to 1000+ Dry TPD (0.5 MWe to 50+ MWe) Capacity are Commercially Available

Background Data

- Annual Natural Gas Production: 19Q
- Annual Natural Gas Imports : 4Q
- Annual Industrial Natural Gas Use: 10Q
- Amount of Oil used for Chemicals and Industrial Building Blocks: 5Q
- Present Annual Biomass Consumption: 3Q
- Potential for Biomass Resources: 16Q/Year (at \$30/dry ton)



Major Industrial Gas Uses

- Process Heat
- Boilers
- Co-generation
- HVAC
- Biomass could be the largest source of renewable energy
- Bioenergy (heat, fuelgas, or oil) could substitute for natural gas in most industrial applications
- 5Q/yr. of new Bioenergy could conserve >20% of natural gas or ~20% of oil used today

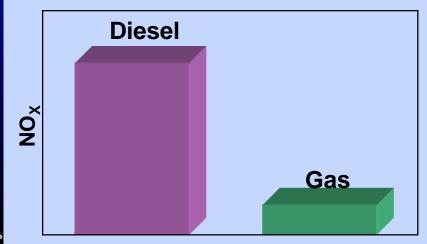


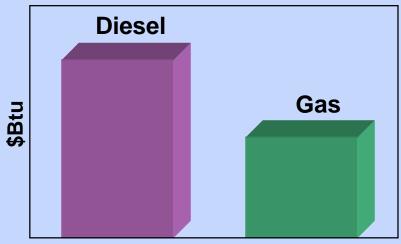
Drivers for Distributed Generation

Infrastructure Growth

- Pipeline Growth Rate
- 5% Cum. Ann. Growth Rate Worldwide
- North America Growth to increase with the New Energy Policy
- ■No_x Emissions Advantage
 - ■10-15% of Diesel Simple Cycle

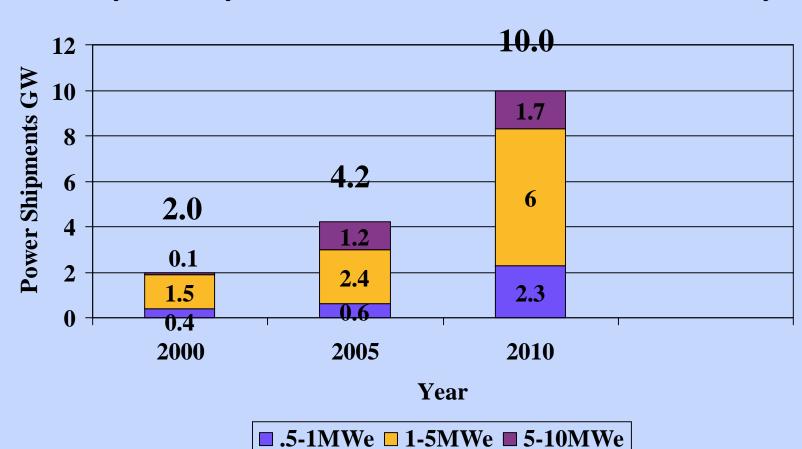
- Fuel Cost Advantage
 - ■50% of Diesel





Market Growth for Gas Engines in Distributed Power

1Q/year of Dry Biomass = 10 GWe at 27% Electrical Efficiency





Source: CATERPILLAR

A Case for Co-utilization of Natural Gas and Biomass Fuel Gas

- Natural Gas is a Valuable Chemical Feedstock
- Natural Gas Demand Will Increase With Increasing Industrial Growth
- LCV Gas From Biomass Could Replace Natural Gas in Many Applications
- Total Substitution Would Require Significant Equipment Modifications or Replacement With New Equipment
- Enriching Biomass Fuel Gas With Natural Gas May Circumvent the Problem
- Co-utilization of Natural Gas and Biomass Derived Fuel Gas –
- Should Expedite Commercialization of Bioenergy
- Provides Bioenergy Diverse Market Entry Options
- Builds-up Production Volume and Provides Resources for Product Optimization



Other Co-utilization Applications

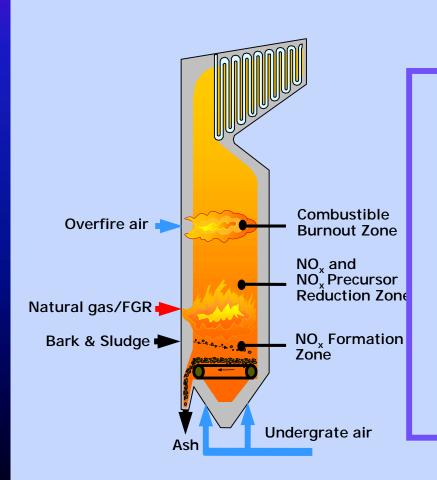
- Co-firing Natural Gas and Biomass in (Stoker) Boilers
- Biomass Gasification Followed by Co-firing of Fuel Gas and Natural Gas in Energy Conversion Devices (Burners, Engines, and Gas Turbines)
- Pyrolysis of Biomass Followed by Co-firing Liquid Fuels and Natural Gas - (Burners, Engines, and Turbine Engines)







GTI METHANE de-NOX® Reburning Process for Stoker Boilers



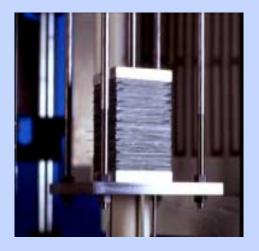
A reburn technology using 5% to 25% natural gas heat input for combustion improvement and 50-70% NO_x reduction in coal-, biomass-, and MSW-fired stoker boilers



Potential Candidates for Bioenergy Uses

- LCV gas and MCV gas heat, power, reducing gaseous medium for mineral processing, and fuel cell power
- Synthesis gas chemicals, liquid fuels, fuel additives, fertilizers, substitute natural gas, and hydrogen
- Pyrolysis liquids/Bioconversion Liquids ???

SOFC



Pyr. Liquid



USDOE EE-RE Biopower Program is Focused on Challenges/Opportunities for Biomass Gasification

PROGRAM FOCUS

- Low-cost Reliable Gasification Systems
- Raw Gas Clean-up to Current Fuel Gas Specifications
- Gas Utilization
- Infrastructure/Policy/Education & Outreach

CLOSING

- Investments made during the first-half of 20th Century to develop and utilize fossil fuels led to economic prosperity during the latter half of 20th Century
- Investments made now for renewables, biomass in particular, will lead to environmental, energy, and economic prosperity in the future

